

RECEIVED

FEB 1 1974

LIBRARY

sec news digest

a daily summary from the securities and exchange commission

Issue 74-21

(SEC Docket, Vol. 3, No. 13 - Feb 12)

January 30, 1974

COMMISSION ANNOUNCEMENTS

ORDER CITES SECURITIES CLEARING CORPORATION, OTHERS. Public administrative proceedings have been ordered against Securities Clearing Corporation, a Pasadena broker-dealer; Robert M. Wildermuth, president; Richard L. Wagner, a former president; and Edward A. Williams, a former vice-president. The proceedings are based on allegations by the staff that the respondents violated and aided and abetted violations of the registration and antifraud provisions of the securities laws in the offer and sale of the capital stock of Creative Portfolios, Inc.; Blanchard, Beifuss & Johnson Financial Services, Inc.; and Dynamic Capitalism, Inc. The staff has also alleged violations of the bookkeeping provisions of the securities laws.

A hearing will be scheduled to take evidence on the staff allegations and to afford the respondents an opportunity to offer any defenses. The hearing is to determine whether the allegations are true, and, if so, whether any action of a remedial nature is necessary or appropriate in the public interest. (Rel. 34-10620)

TR-3 INTERNATIONAL TRADING HALTED; TRADING SUSPENDED IN TWO OTHER FIRMS. Over-the-counter trading has been suspended in the securities of TR-3 International, Inc., of Dewey, Oklahoma, and its predecessor corporations, by change of name, Silver Gull Corp. and Silver Gull Oil & Gas Corporation, Nevada corporations, with offices in Salt Lake City, Utah and Las Vegas, Nevada, for a ten-day period beginning at 10:00 a.m. (EDT) January 30 and terminating at midnight (EDT) February 8, 1974.

The Commission initiated the suspensions of trading because of the lack of accurate and adequate current information concerning the companies' operations and financial condition. The Commission received information that TR-3 International, Inc. has questioned the validity of an issue of stock distributed by a predecessor corporation, by change in name, Silver Gull Corp., in a purported merger of Silver Gull Corp. with United Reserve & Recreation, Inc. in June 1973. (Rel. 34-10622)

Over-the-counter trading has also been suspended for a ten-day period commencing at 10:00 a.m. (EDT) on January 30 and terminating at midnight (EDT) on February 8, 1974 in the securities of Associates International, Inc., of Shreveport, La. and Holloway Western Corporation, of Beverly Hills, Cal.

The Commission initiated these suspensions because the companies failed to comply with the reporting provisions of the Exchange Act resulting in the lack of current and accurate information available to the public. (Rel. 34 - 10623)

TRADING SUSPENDED IN PERSONNEL CONSULTANTS, INC. The SEC has announced the suspension of over-the-counter trading in the securities of Personnel Consultants, Inc., of Salt Lake City, Utah, for a ten-day period beginning on January 25 and terminating at midnight (EDT) on February 3, 1974.

The Commission initiated the trading suspension because of the lack of accurate and adequate current information concerning Personnel's operations and financial condition. There have been recent unannounced changes in the company's management, the stock transfer agent, and the nature of its business operations. The Commission has received information which indicates that some of the company's stock may not have been properly issued. (Rel. 34-10616)

COURT ENFORCEMENT ACTIONS

VIP PHONE OF DELAWARE, INC., OTHERS ENJOINED. The Washington Regional Office announced that on January 21 the Federal court in Wilmington, Delaware permanently enjoined VIP Phone of Delaware, Inc., National Enterprises, Inc., Delaware Securities, Inc., International Magfilm, Inc. and Peter James (Chairman of the Board and/or principal officer of each company), all of Ocean View, Delaware, from violating the antifraud provisions of the securities laws. The defendants consented to the entry of the order without admitting or denying the allegations in the Commission's complaint. (LR-6227)

CLYDE E. HAVEN SENTENCED. The Washington Regional Office announced that on January 4 the U. S. District Court for the District of Columbia sentenced Clyde E. Haven, Jr. of Potomac, Maryland, to one year's suspended sentence and three years probation, following Haven's November 14, 1973 guilty plea of violating the securities laws. Haven was charged with misapplying and diverting for his own use monies, funds and credits belonging to the Vacation Fund of Local 24 of the Asbestos Workers Union, for which he was the investment adviser. (LR-6224)

JAMES DAY SENTENCED. The Chicago Regional Office announced that on January 22 James Day of Southfield, Michigan was sentenced to a prison term of from 20 to 36 months by a state judge in Oakland County, Michigan. Day, president of a Michigan broker-dealer firm and several other concerns, had earlier pleaded guilty to sales of unregistered securities and fraud in such sales, in violation of the Michigan Uniform Securities Act. (LR-6223)

JOSEPH WARREN DESMOND CHARGED WITH GRAND LARCENY. The Seattle Regional Office announced that on January 15 the King County Prosecutor filed an information charging Joseph Warren Desmond with five counts of grand larceny and one count of securities fraud in violation of Washington State law. The information was based on evidence developed by the Seattle Regional Office. (LR-6225)

ANTHONY SANO, OTHERS, FOUND GUILTY AND SENTENCED. The New York Regional Office has announced that a Federal jury in New York found the following individuals guilty of, among other things, violating the securities laws in the manipulation of Vendotronics Corporation stock: Anthony Sano, Richmond Hills, New York (guilty of 8 counts of fraud) (total 3 years imprisonment); Ronald Kazdin, Cleveland, Ohio former president of Vendotronics (guilty of conspiracy and fraud) (18 months imprisonment); Leonard Kozman, Shaker Heights, Ohio (guilty of conspiracy and fraud) (sentence suspended - 3 years probation); Michael Gardner, New York, New York (guilty of conspiracy) (one year and one day imprisonment).

The following individuals pleaded guilty to violating the federal securities laws prior to trial: Murray Levine, Douglaston, New York (pleaded guilty to conspiracy and fraud) (to be sentenced); Anthony De Benedetto, New York, New York (pleaded guilty to fraud) (young adult offender - sentence suspended - 3 years probation); Steven J. Feiffer, Coral Gables, Florida (pleaded guilty to conspiracy) (sentence suspended - 3 years probation); Fred Hesse, Federal Prison, Atlanta, Georgia (pleaded guilty to conspiracy) (to be sentenced); Louis Kaye, Paramus, New Jersey (pleaded guilty to conspiracy) (to be sentenced); James Morse, Las Vegas, Nevada, (noile prosequi - pleaded guilty to conspiracy on Fleurette Corp. case) (to be sentenced on Fleurette).

The jury found Anthony Soldano, Queens, New York not guilty of conspiracy to violate the securities laws and fraud in the purchase and sale of Vendotronics stock. (LR-6226)

INVESTMENT COMPANY ACT RELEASES

NATIONAL INVESTORS CORPORATION. A notice has been issued giving interested persons until February 22 to request a hearing on an application of National Investors Corporation of New York, New York for an exemption from Section 22(d) in connection with the issuance of its shares in exchange for the assets of Hicks Investment Company of Denver, Colorado. (IC-8201)

HOLDING COMPANY ACT RELEASES

GRANITE STATE ELECTRIC COMPANY. A notice has been issued giving interested persons until February 26 to request a hearing on a proposal of Granite State Electric Company, subsidiary of New England Electric System (NEES), to issue and sell \$1 million of common stock to NEES. (Rel. 35-18265)

THE NARRAGANSETT ELECTRIC COMPANY. A notice has been issued giving interested persons until February 25 to request a hearing on an application of The Narragansett Electric Company, subsidiary of New England Electric System (NEES), to issue and sell \$10 million of first mortgage bonds at competitive bidding. (Rel. 35-18266)

SECURITIES ACT REGISTRATIONS FILED

(S-11) GROWTH REALTY INVESTMENTS LIMITED PARTNERSHIP, 2 East Fayette St., Baltimore, Md. 21202 - \$3 million of partnership interests to be offered for sale at \$1000 per interest (minimum investment - 2 interests) by Legg Mason/Wood Walker, Div. of First Regional Securities, Inc., 7 East Redwood St., Baltimore, Md. 21202. The partnership was formed to invest in residential and commercial real estate, primarily apartment projects. Chas. H. Steffey, Incorporated is the general partner. (File 2-50088 - Jan. 23)

(S-11) AMERICAN INCOME FUND - 1974, American Land Fund, Inc., 450 Kennecott Bldg., Salt Lake City, Utah 84133. \$10 million of pre-organization subscriptions to limited partnership interests to be offered for sale at \$1,000 per unit with a minimum purchase of three units through selected NASD members. American Land Fund, Inc., is the General Partner. The partnership will be formed for the purpose of investing in income-producing properties. (File 2-50096 - Jan. 25)

(S-1) NORTHWEST BANKING CORPORATION, 4 East Washington St., Quincy, Fla. 32351 - 200,000 shares of common stock. It is proposed to offer these shares in exchange for the outstanding common stock of The Quincy State Bank, Quincy, Florida, at the rate of ten shares for each share of Bank stock. Northwest Banking Corporation is in the process of organization as a bank holding company. (File 2-50098 - Jan. 25)

(S-9) SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY, 67 Edgewood Ave., S.E., Atlanta, Ga. 30303 - \$300 million of debentures, due 2014, to be offered for sale through underwriters headed by Salomon Brothers. The company furnishes communications services, mainly local and toll telephone service. (File 2-50099 - Jan. 25)

(S-14) CHEMICAL FINANCIAL CORPORATION, 333 East Main St., Midland, Mich. 48640 - 380,000 shares of common stock. It is proposed to offer these shares in exchange for the outstanding shares of capital stock of Chemical Bank and Trust Company, Midland, Michigan, at the rate of two shares for each Bank share. Chemical Financial is proposed to be a registered bank holding company following the consummation of the reorganization. (File 2-50104 - Jan. 25)

(S-16) FISCHBACH AND MOORE, INCORPORATED, 545 Madison Ave., New York, N. Y. 10022 - 149,215 shares of common stock, which may be offered for sale from time to time by certain shareholders at prices current at the time of sale. The company is primarily an electrical and mechanical contractor. (File 2-50103 - Jan. 25)

CORRECTION RE LUTHERAN BROTHERHOOD SECURITIES FUND. The News Digest of January 11 reported the filing of a registration statement on Form S-5 by the Lutheran Brotherhood U. S. Government Securities Fund, Inc., 701 Second Ave. South, Minneapolis, Minn. 55402 (File 2-49938 - January 2) seeking registration of 100,000 shares of capital stock. The offering is to be made at net asset value plus a 1.9% sales charge through May 24, 1974 and a maximum 8.5% sales charge thereafter, not at net asset value as reported in the January 11 News Digest.

STOCK PLANS FILED. The following have filed Form S-8 registration statements with the SEC seeking registration of securities to be offered pursuant to employee stock and related plans:

- Southern Bell Telephone and Telegraph Company, Atlanta, Ga. (File 2-50099 - Jan. 25) - \$300 million of debentures
- Chemical Financial Corporation, Midland, Mich. (File 2-50104 - Jan. 25) - 380,000 shares
- Measurix Corporation, Cupertino, Cal. (File 2-50100 - Jan. 25) - 705,331 shares
- Fischbach And Moore, Incorporated, New York, N. Y. (File 2-50103 - Jan. 25) - 149,215 shares

SECURITIES ACT REGISTRATIONS. Effective January 29: Anheuser-Busch, Incorporated, 2-50052; Bunker Hill Income Securities, Inc., 2-49904; Com-Share, Incorporated, 2-49348; Gulf & Western Industries, Inc., 2-49966 & 2-49742; National Semiconductor Corporation, 2-50025; Public Service Electric & Gas Company, 2-49898; Southwestern Public Service Company, 2-49920; Valley Of Virginia Bankshares, Inc., 2-49760.

Effective January 30: Kirby Petroleum Co., 2-49460.

MISCELLANEOUS

TRADING SUSPENSIONS. The SEC has announced the suspension of over-the-counter trading in the securities of Patterson Corp. and Westgate California Corp. for the further ten-day period January 30-February 8, inclusive.